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Baltic States Membership in the WEU and NATO: Links, Problems and Perspectives

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“The architecture of European security is composed of European institutions (such as the European Union (EU) and the Western European Union (WEU)) and transatlantic institutions (NATO)”.
Study on NATO Enlargement (1995)

“One of the most significant ways in which Eastward expansion will be fundamentally different from previous EU enlargements is through its security dimension”.
H. Grabbe, K. Hughes (1997)

1. Introduction*

In the beginning of the 1990s, Estonia, Latvia and Lithuania re-emerged as independent actors in the international system. Policy makers of these three Baltic countries were faced with a range of options in choosing their cooperation partners and forms of cooperative arrangements best suited for the particular needs and interests of their countries. The decisions had to be taken in the environment of changes in international security and the institutional structures as well as domestic economic and political reforms accompanied by the establishment of new rules and institutions.

The choice of foreign policy priorities was to a large extent determined by the aims of political and economic reforms (establishment of democratic governance and transition to the market economy) and perceived external threats and opportunities. The issue of the security of the Baltic states is closely linked with the questions of international cooperation and participation in the institutional settings that have characterized the “post-Cold War” Europe. In the beginning of 1990s the Baltic states re-emerged on the map of Europe, which was a Europe characterized by many interlocking and overlapping institutions. It has been argued that “how the governments reacted to the end of the Cold War was profoundly conditioned by the existence of international institutions”¹. This statement explains not only the development of foreign policies of the USA, and the European Union member states but also the establishment and the conduct of the foreign policies of the Baltic countries.

* The author is grateful to the NATO-EAPC Research Fellowship Program for support, officials of the Lithuanian Ministry of Foreign Affairs as well as officials from the Estonian Embassy and the Latvian Embassy in Vilnius for information and comments.

¹ Keohane, R. O., Hoffman, S. Conclusion: structure, strategy and institutional roles, in Keohane, R. O. Nye, J. S., Hoffman, S. (eds.) *After the Cold War. International Institutions and State Strategies in Europe, 1989-1991*, Cambridge, Mass.: Harvard University Press, 1993, p. 381.

Participation in multilateral and regional cooperative structures soon became perceived by policy makers of the Baltic states as a very important instrument in achieving the national interests of these countries – the creation of conditions for security and economic growth. Although the Baltic states have during several years joined the United Nations, the Council of Europe, the Organization for Security and Cooperation in Europe and a number of other institutions, membership in NATO, the European Union (EU) and Western European Union (WEU) have been declared by leaders of these countries to be the priority foreign policy objective. Despite changes in the international environment and the regional institutional structures throughout the decade as well as shifts in domestic political majorities, the preferences of the Baltic states' policy makers to join NATO, the EU and the WEU as soon as possible have remained stable.

This study addresses the issue of implementing the Baltic states' foreign policy objectives in the field of security by joining the institutions established to protect their members from external threats. Although NATO and the WEU are the two main institutions explicitly designed to provide security guarantees for their members, the analysis of this type would be incomplete without also addressing the issue of the EU accession. This is based on several arguments. First, the development of relations, namely associations, between the Baltic states and the EU/WEU illustrate that membership in the WEU is conditional upon joining the EU. Moreover, with the merging of the two foreseen in the nearest future (possibly before the EU enlargement takes place), the issue of joining the WEU might mean also joining the EU, or it could even turn into an issue of joining only the EU with its Common Security and Defense Policy. Finally, the EU itself is often referred to as a "security community" providing "soft security" to its members. With further development of European Security and Defense Identity taking place, the EU role in this field might evolve into the provider of "hard security" within NATO.

The study is based on the assumption that "institutions matter" by solving failures of domestic institutions, reducing transaction costs and uncertainty, facilitating cooperation, reducing the potential for conflicts and thereby facilitating the achievement of foreign policy goals. It is also assumed that actors of international affairs behave rationally and choose the policy options of joining particular institutions based on perceived payoffs. The perception of the payoffs, however, can be influenced by history, contextual factors and values common to decision makers.

The main questions of the analysis are the following. First, what are the incentives for the Baltic states to join NATO, the WEU and the EU and what type of "collective goods" membership in these institutions is perceived to deliver? Second, what are the linkages between joining each of these institutions in terms of *expected results*, or benefits received, and *processes* of achieving these

results? Third, what are the factors (internal resources and capabilities, external threats and opportunities) facilitating or complicating Baltic states' membership in these institutions? Finally, the answers to these questions will provide a basis for a discussion of the future scenarios in terms of the Baltic states becoming members of NATO, and the EU/WEU.

The structure of the paper is conditioned by its questions. First, it presents a brief overview of studies analyzing the foreign policies of the Baltic states and outlines the framework used in this study. Second, it reviews the motives expressed by the Baltic states officials for joining the three institutions. Third, it provides a brief outline of Baltic states' relations with NATO and the EU/WEU and the functions of the latter. Then, the question of linkages between these institutions is analyzed with emphasis on whether they are complementary or overlapping in terms of their functions, and the implications for Baltic states' accession strategies, or linkages of processes. Finally, by addressing the strategic environment and the preferences of the main actors involved it presents overview of the main factors influencing the accession of the Baltic states into NATO and the EU/WEU.

2. Analyzing external policies of the Baltic states

Foreign policies of the Baltic states in general, and the choice of partners for cooperation aimed at increasing security of these countries in particular, have been increasingly attracting the attention of both local and foreign analysts, which have resulted in a number of papers dedicated to this issue. Most writings on external policies of these countries have focused on the military and security issues or geopolitics of the Baltic region². The choice of the cooperative policies is seen as a function of external threat, namely threat from Russia, and the balance of powers in the European or Trans-Atlantic "security architecture", the geographical position of the three countries, historical experiences and links, size of the Baltic States, or internal resources. Usually a combination of the above-mentioned factors is analyzed, and most of the analysis exhibits methodological features of

² See, for example, Prikulis, J. The European Policies of the Baltic Countries, in Joenniemi, P., Prikulis, J. (eds.) *The Foreign Policies of the Baltic countries: Basic Issues*, Riga: Center of Baltic-Nordic History and Political Studies, 1994, p. 87-114; Van Ham, P. (ed.) *The Baltic States: security and defence after independence*, Paris: Institute for Security Studies, Chaillot Papers, no. 19, 1995; Bleiere, D. Integration of the Baltic states in the European Union: The Latvian Perspective, in Lejins, A., Ozolina, Z. *Small States in a Turbulent Environment: the Baltic Perspective*, Riga: Latvian Institute of International Affairs, 1997 p. 60-112; Stranga, A. The Baltic states in the European security architecture, in Lejins, A., Ozolina, Z. *Small States in a Turbulent Environment: the Baltic Perspective*, Riga: Latvian Institute of International Affairs, 1997, p. 11-59; Jundzis, T. (ed.) *The Baltic States at Historical Crossroads*. Riga: Academy of Sciences of Latvia, 1998; Van Ham, P. The Baltic States and Europe, in Hansen, B., Heurlin, B. *The Baltic states in World Politics*, Richmond: Curzon Press, 1998, p. 24-45; Laurinavicius, C., Motieka, E. Geopolitical peculiarities of the Baltic states, presentation for the conference *Baltic states: cooperation and search for the new approaches*, Vilnius, April 24, 1998; Made, V. *Estonian Geostrategic Perspectives*, presentation for the conference *Baltic states: cooperation and search for the new approaches*, Vilnius, April 24, 1998; Ozolina, Z. *The Geopolitical Peculiarities of the Baltic states: Latvian perspective*, presentation for the conference *Baltic states: cooperation and search for the new approaches*, Vilnius, April 24, 1998.

the realist tradition in analyzing international relations. Most writings have been normative and descriptive rather than positive³.

Thus, analysts attribute major importance to security factors, external threats in particular, in explaining Baltic states foreign policies and the choice of cooperative structures, especially their accession into NATO and the EU. Their importance of perceived external threats in explaining Baltic countries' foreign policies is not disputed here. However, perspectives emphasizing external threats often risk to overlook the importance of the role of international institutions. By focusing on major powers in the international system the analysis ignores incremental developments of international institutions and functional attributes of these institutions. Moreover, systemic explanations focused on security factors usually downplay the importance of domestic and social-economic factors.

The emphasis on historical legacies or values and identities has similar drawbacks. They explain certain tendencies, commonalities or differences in actors' behavior but they do not seem to be able to account for incremental policy developments. For example, the argument of "European identity" might to a large extent explain the initial orientation of "back to Europe" policies of Baltic policy makers, the argument of common values can explain orientation towards certain cooperative institutions. However, such factors can not provide an understanding of integration strategies, developments of cooperative policies and the roles of different actors.

This paper adopts what has been called "the institutional perspective" of the broader rationalistic paradigm⁴. It assumes the rationality on the part of actors. If there were no potential gains from participation in international institutions and cooperation, that is "if no agreements among actors could be mutually beneficial", there would be no need for specific international institutions and membership in them⁵. Conversely, "if cooperation were easy – that is, all mutually beneficial bargains could be made without cost – there would be no need for institutions to facilitate cooperation"⁶. Institutions reduce uncertainty and alter transaction costs, which in the world affairs are seen to be significant as it is usually difficult to communicate, to monitor performance and compliance with rules. International institutions also allow states to achieve benefits unavailable through unilateral action of existing state structures and help to solve problems that have their roots

³ There are exceptions providing positive analysis such as Clark, T. Lithuanian entry into NATO: A game theoretic approach, April 2000, Draft paper.

⁴ See Keohane, R. O. Nye, J. S., Hoffman, S. (eds.) *After the Cold War. International Institutions and State Strategies in Europe, 1989-1991*, Cambridge, Mass.: Harvard University Press, 1993; Keohane, R. O. *International Institutions: Two Approaches*, *International Studies Quarterly*, 32, 1988, p. 379-396.

⁵ Keohane, R. O. *International Institutions: Two Approaches*, *International Studies Quarterly*, 32, 1988, p. 386.

⁶ *Ibid.*

in the failures of state domestic institutions⁷. For example, if state domestic defense capabilities are seen as insufficient to protect against potential threat, it can be decided to join a defense alliance and rely on collective security measures. Institutions persist as long as their members have incentives to maintain them. To understand better the development of institutions, their adaptation to the environment and the membership processes, the interests of actors and the contextual factors need to be analyzed.

In this study, the institutions are understood in the narrow sense of formal international organizations with explicit rules and specific assignments, which “prescribe behavioral roles, constrain activity, and shape expectations”⁸. They are created to perform specified functions and provide benefits such as security as a result of international cooperation. Importantly, international institutions are “simultaneously causes and effects”, they are “both the object of state choice and consequential”⁹. This implies that states choose to create international institutions or join them because of their intended effects and domestic problems that these institutions are supposed to solve. However, once established and functioning, they constrain and shape behavior, even as they are “constantly challenged and reformed by their member states”¹⁰.

It is suggested that cooperation “takes place when the policies actually followed by one government are regarded by its partners as facilitating realization of their own objectives, as the result of a process of policy coordination”¹¹. This definition assumes “that an actors’ behavior is directed toward some goal(s)”¹². Therefore, analysis of cooperation requires understanding of how particular objectives, such as foreign policy goals, are formed and prioritized. International cooperation might facilitate achieving of goals that have their targets both in the external environment and domestic arena. Second, it implies “that actors receive gains or rewards from cooperation”¹³. Thus, the issue is how the distribution of gains is perceived by participating actors, and how cooperative measures influence chances of achieving other objectives of actors (for example, reelection of the ruling parties or increasing prestige of politicians).

It should be noted, that cooperation in the area of security and defense as a rule involves smaller number of actors than cooperation in the field of economic exchange. Differently from trade

⁷ Martin, L. L., Simmons, B. A. *Theories and Empirical Studies of International Institutions*, *International Organization*, 52, 4, Autumn 1998, p. 729-757.

⁸ Keohane, R. O. *Opt. Cit.*, p. 386.

⁹ Martin, L. L., Simmons, B. A., *Opt. Cit.*, p. 743.

¹⁰ *Ibid.*

¹¹ Keohane, R. O. *After hegemony. Cooperation and discord in the world political economy*. Princeton: Princeton University Press, 1984, p. 51-52.

¹² Milner, H. *Interests, Institutions, and Information*, Princeton: Princeton University Press, 1997, p. 7.

¹³ *Ibid.*

liberalization measures that directly impact on specific economic groups, cooperation in the security field aimed at providing “security good” does not have a direct impact on narrow domestic interest groups which are able to organize and become an important factor influencing cooperative policies of the governments. Therefore, cooperative policies and shifts in preferences of actors more often have their source in external environment.

3. Security debates in the Baltic states

In the end of 1980s and the beginning of the 1990s when the changes in the international system referred to as the end of the Cold War have been taking place, the Baltic States re-established statehood and began to conduct their independent policies¹⁴. First, there were a number of ideas suggested by political leaders of these countries on how to achieve the foreign policy aims, namely security of sovereign states. Some of them had been based on earlier historical experience or references to the examples of other small states¹⁵. For example, the idea of neutrality has been raised by some, especially during the initial movement towards autonomy from the Soviet Union and as an argument in demanding the withdrawal of Soviet troops from the Baltic states¹⁶. However, the concept of neutrality did not gain wide acceptance due to the end of bipolar international system as well as historical experiences of the inter-war period. Moreover, it was feared to prevent the Baltic states from rapid accession into the “Euro-Atlantic structures”. The prevailing opinion could be expressed by the statement of one official of the Lithuanian Ministry of Foreign Affairs who argued that “Lithuania should make it understood that it does *not* regard itself as neutral, but that its priority is to become a full member of NATO and the EU/WEU”¹⁷.

The idea of trilateral Baltic defense alliance has also been discussed in all three countries¹⁸. However, trilateral cooperation in the area of security and military affairs has developed largely as a result of Western support and with the main task of preparing for NATO membership. In itself, the trilateral security and defense cooperation has come to be considered by majority of all three countries to be an inadequate means of providing protection from external threats.

¹⁴ The three countries declared independence in 1990: Lithuania on March 11, Estonia on March 30, Latvia on July 28.

¹⁵ References to other cooperative examples such as the Benelux or Nordic institutions have been particular often used in the discussions on the intra-Baltic economic cooperation and modeling of the trilateral Baltic institutions.

¹⁶ Haab, M. Potentials and vulnerabilities of the Baltic states, in Hansen, B., Heurlin, B. (eds.) *The Baltic States in World Politics*, Richmond Surrey: Curzon Press, 1998, p. 3.

¹⁷ Bajarunas, E. Lithuania’s security dilemma, in Van Ham, P. (ed.) *The Baltic states: security and defense after independence*, Paris: Institute for Security Studies, Chaillot Paper 19, June 1995, p. 25.

¹⁸ See for example, Kreslins, K. A Baltic military alliance: An Opinion on the Military Integration of the Baltic States, in Jundzis, T. (ed.) *The Baltic States at Historical Crossroads*, Riga: Academy of Sciences of Latvia, 1998, p. 377-388.

The foreign policy debates and perception of threats have been especially influenced by the period of almost fifty years of being part of the Soviet Union. It has been noted that “the experience of Sovietization was to have a profound impact upon the security aspirations and perceptions of the emergent Baltic political elites in the late 1980s”¹⁹. The Soviet Union, and later its successor Russian Federation, has been perceived in all three countries as the main threat to Baltic sovereignty and territorial integrity. Although good neighborly relations have been declared as another foreign policy priority, the perception of the potential threat related with uncertainty about Russia’s internal political situation and its external policies have remained fairly stable. As some observers have noted, the main danger was perceived to be related with “an ill defined post-Soviet reintegrationist impulse, generated by the unholy troika of nationalist chauvinism, Soviet nostalgia and imperial patriotism”²⁰.

The clearest expression of these sentiments has found itself in the newly adopted constitutions of the Baltic states, which explicitly outlawed the membership in alliances of the former Soviet states and stationing of the military units of the CIS countries in the Baltics. Despite occasional declarations such as made by the Baltic states’ presidents in May 1996 that their countries wish to join the EU and NATO in order to become part of a united Europe rather than because of a “fear of a third country”, perceived threat from Russia has always been behind the wish of majority of political leaders in the Baltics to join these institutions as soon as possible. It should be noted, however, that there have been differences of official opinion in this respect inside these countries. For example, in 1999-2000 the Lithuanian president V. Adamkus stressed several times that “our desire to join NATO stems not from our fears but from the wish to further expand stability and security to all nations of the Old Continent, which share the common values”²¹. At the same time, some of Lithuanian Parliament leaders still link the wish to access NATO more with negative motivations related with perceived threats from unstable Russian state. Similar differences in presentation of motivation for NATO membership could be noted among key officials of Latvian institutions having a role in the foreign policy field.

Fears of threat from Russia have been reinforced by Russia’s constant vocal opposition to Baltic states’ membership in NATO and images of the Baltic states as “a near abroad” of Russia, “security vacuum” or “a gray zone” situated between the Western Europe and Russia. These historical-geopolitical arguments in parallel with Kaliningrad region issue have figured prominently during most of the last decade of the 20th century in rhetoric of some Baltic leaders.

¹⁹ Herd, G. P. The Baltic states and EU enlargement, in Henderson, K. (ed.) Back to Europe: Central and Eastern Europe and the European Union, London: UCL Press, 1999, p. 259.

²⁰ Herd, D. Opt. Cit., p. 260.

In this context, it was popularly perceived that security of the Baltic states could only be enhanced by a radical reorientation westwards. The leaders of the Baltic states have come to an understanding that “participation in the EU and NATO are the surest guarantees of the independence of the three states...”²². NATO, with its Article 5 guarantees, was seen to be the only viable security panacea for the Baltic states. It has been frequently stressed by the officials from the Baltic states, that they view “NATO as the main security guarantor in Europe”, and membership in it “as a crucial assurance against the unknown” meaning the potential threat from Russia²³. Dealing with Russia through international institutions, for example, the EU, has become a strategy increasingly used by the Baltic states in order to reduce asymmetries of bargaining power and uncertainty. In such a way, Estonia has been managing its long lasting border settlement issue with Russia by involving the EU into this process and at the same time trying to insure that this does not become an obstacle for Estonia’s accession into the EU.

The issue of the EU membership has been “securitized” in the Baltic region since the start of the security debates. The EU, however, was first of all perceived as the “soft security” generating institution based on political solidarity and economic interdependence. This meant that accession into the EU would not only provide benefits in terms of social stability and other non-military security fields, and strengthen the domestic capabilities of these countries, but it would also mean becoming part of the security community which provides implicit security guarantees²⁴. The security aspects of EU membership as well as (until recently) the absence of Russia’s objections to Baltic states’ accession into the EU has prompted some external observers to suggest that “the Baltic states might want to consider giving the EU priority over NATO”²⁵.

The security aspect of EU membership has further increased in importance with the development of its Common Foreign and Security Policy since the Treaty of the European Union was agreed in 1991, and later of Common Security and Defense Policy and gradual merging of the EU and the WEU. Although membership in the latter was declared a foreign policy goal of the Baltic countries, despite its Article V guarantees, it had a significantly lower profile than NATO membership among the Baltic officials. For some time, the development of closer relations with the

²¹ Address by Mr. Valdas Adamkus, President of the Republic of Lithuania, XVIIth International NATO Workshop on Political-Military Decision Making, Berlin, 3 June 2000, p. 2, <http://www.urm.lt/new/address>, 25.06.2000.

²² Bleiere, D. Cooperation between the Baltic States and the Central European Countries: Problems and Prospects, in Jundzis, T. (ed.) *The Baltic States at Historical Crossroads*, Riga: Academy of Sciences of Latvia, 1998, p. 130.

²³ Bajarunas, E. *Opt. Cit.*, p. 25.

²⁴ The relatively low emphasis on economic considerations of EU membership and accordingly high importance of it in enhancing security and stability of the Baltic states has been evidenced by almost complete absence until recent years of more sophisticated discussions on economic impact of EU membership.

WEU has been seen by some as a strategy for Baltic states to obtain full NATO membership, “even by a circuitous route”²⁶. Due to its more developed operational abilities, NATO has often been seen to be superior in terms of security guarantees and defense capabilities than the WEU which is seen to be inoperable without NATO. However, officially both NATO and EU/WEU membership, described by a standard phrase “integration into the Euro-Atlantic structures” have been regularly declared of an equally crucial importance to the Baltic states, and accession into them is “pursued in parallel”²⁷. These foreign policy goals remained stable throughout the decade irrespective of political orientation of governments in these countries.

4. Dynamics of Baltic states’ relations with NATO and the EU/WEU

In the first years of the 1990s, after domestic political structures have been established and as the independent foreign policies were developed, the Baltic states have joined a number of international institutions having a political and security role in Europe. In September 1991, they joined the United Nations and the Conference of Security and Cooperation in Europe, in March 1992, they became members of the Council of the Baltic Sea States, in May 1993 Estonia and Lithuania become members of the Council of Europe with Latvia following in February 1995. Membership in these organizations has been used to share information and concerns over possible threats for Baltic states’ sovereignty and establish contacts with Western “security community” members. However, while playing a positive role in reducing transaction costs, membership in these institutions could not provide “the security good” in terms of military or “hard security” guarantees that the Baltic states could not ensure unilaterally. The latter have been firmly linked with NATO and to some extent with WEU/EU accession processes.

The first official relations between the Baltic states and NATO have been started in the end of 1991 when NATO invited Central and Eastern European countries to create a joint institution – the North Atlantic Cooperation Council. The Baltic states became members of the North Atlantic Cooperation Council in December 1992. In January 1994, Lithuania presented its official application to become NATO member. Later in the same year it was followed by Latvia and Estonia. Their relations with NATO were institutionalized further by signing the Partnership for Peace (PfP) framework documents which by all three were seen not as an alternative to NATO

²⁵ Van Ham, P. The Baltic States and Europe, in Hansen, B., Heurlin, B. (eds.) *The Baltic States in World Politics*, Richmond Surrey: Curzon Press, 1998, p. 32.

²⁶ Viksne, I. Latvia and Europe’s Security Structures, in Van Ham, P. (ed.) *The Baltic states: security and defense after independence*, Paris: Institute for Security Studies, Chaillot Paper 19, June 1995, p. 73.

²⁷ See, for example, “Vilnius statement”, made by nine NATO candidate countries at the conference “The role of NATO in changing European security environment” organized in Vilnius in 19-20 of May, 2000, aimed at giving additional impulse to discussions on NATO enlargement

membership but rather as an intermediate instrument of cooperation and preparation for accession. The common wish of the leaders of three countries to join NATO was confirmed in a joint communique in the middle of February 1994, after signing the PfP agreements. The statement of the Latvian Foreign Ministry spokesman presented later that “Latvia does not see any alternative to full-fledged membership in NATO” has been a shared policy of the three countries which has been continued until now²⁸.

In 1996, the Baltic states have produced new proposals concerning practical steps to strengthen cooperation between them and NATO through expanded and intensified activities reaching beyond the PfP program. They have also suggested that NATO should explicitly differentiate between those PfP countries which expressed their wish to join NATO (Albania, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia) and those that did not aspire to become NATO members (such as Russia and Ukraine). One of the suggestions was to give the Baltic states the status of the “future candidates” or “future members”, as it was becoming clear that none of the Baltic countries would be among the first group to be invited to join NATO. This concept suggested by Lithuanian leaders in the Autumn of 1996 together with the idea of “a waiting room” aimed at being assured of a commitment on behalf of NATO to keep the doors open to the Baltic countries.

From 1996, NATO started intensive individual dialogues with each applicant country by conducting consultations and sharing information on progress in meeting the NATO military compatibility requirements, development of armed forces, relations with neighboring countries, etc. Trying to demonstrate that they are not only “security consumers” or potential “free-riders”, but would be able to contribute to implementing NATO functions, Baltic states’ forces participated as a part of the Nordic Brigade in the Bosnia Implementation Force (IFOR). They have been also participating actively in the PfP military exercises such as Baltic Challenge, PfP Planning an Review Process, meetings of the Senior NATO committees and groups.

In May 1997, the Baltic states became members of the newly created Euro-Atlantic Partnership Council which replaced the North Atlantic Cooperation Council. During the NATO Madrid Summit in July 1997, the Alliance together with inviting three Central and Eastern European countries – Czech Republic, Hungary and Poland – to join NATO, confirmed “the open door” policy meaning that in principle it remained open for other applicant countries. In Washington Summit in 1999, this policy was made more concrete by naming nine potential

²⁸ Cited in Haab, M. Potentials and vulnerabilities of the Baltic states, in Hansen, B., Heurlin, B. (eds.) *The Baltic States in World Politics*, Richmond Surrey: Curzon Press, 1998, p. 11.

candidates including the Baltic states. The Summit also confirmed the Membership Action Plan which was suggested to each applicant country. Throughout 1999-2000, meetings in the framework of the individual Membership Action Plans monitoring progress towards NATO membership have been taking place. The Baltic countries established institutions coordinating integration into NATO and started preparing national NATO integration programs. Lithuania was the first one to submit its National NATO Integration Program to the Alliance in September 1999.

The Baltic states' officials welcomed the Washington Summit decision and the commitment of NATO leaders to review the issue of the enlargement in 2002, although for some time there have been tensions among the three regarding the issue of differential accession. As the Lithuanian President V. Adamkus stated in reaction to the decisions of the Washington Summit, the summit results were "very positive with powerful moves forward". He also declared that "until now, everybody had talked about open door policy but it is already clear that a decision will be made before 2002 which nations to invite to the next enlargement stage. ... Now we are listed in the triplets of front-runners along with Slovenia and Romania, and we must be in this position in three years as well"²⁹. This was an expression of policy that Lithuania has been promoting the idea of inviting at least one Baltic country to join NATO, and this policy has been especially promoted after Estonia started EU membership negotiations. For some time Lithuania was raising the idea of inviting in 2002 at least one Baltic country to join NATO in the next wave of enlargement meaning that it could be Lithuania as "the most well prepared and active PfP program member of the three countries"³⁰. This suggestion was accepted with some reserve in the other two Baltic states, especially in Latvia. The expectations of Lithuanian policy makers that the "two Southern states and one Northern country" would be invited to start membership negotiations in 1999 have been strengthening by such proposal expressed by the former adviser to the US secretary of state Z. Brzezinski³¹.

Recently the policy was slightly modified and the priority was given to the "big bang approach" of suggesting NATO to invite in 2002 all nine candidates to start negotiations which than could proceed on individual basis. In May 2000, the "Vilnius statement" issued by nine NATO candidate countries in the conference organized by Lithuanian and Slovenian institutions stated that "we anticipate that the Alliance will invite new members in the year 2002. The best outcome would be to invite all candidate countries, but if that is not the case then the enlargement must proceed by

²⁹ Bridges, NATO Update, Issue 4/1999, p. 8.

³⁰ Zalimas, D. Lietuvos integracija i NATO: pagrindines kryptys ir priemones, in Lopata, R., Vitkus, G. (eds.) NATO. Vakar, siandien, rytoj, Vilnius: Eugrimas, 1999, p. 152.

³¹ The Baltic Times, NATO's door open, but no invitations yet, July 2-8, 1998, p. 2.

inviting Lithuania and other best prepared candidates both from the North and South”³². The Baltic states’ motivation for this initiative seems to be linked to their wish to be grouped together with Central European NATO candidate countries thereby leaving behind the category of the “former Soviet Union states” still used by Russian leaders in their statements against NATO enlargement.

Importantly, institutionalization of relations with NATO acted as a driving force behind the trilateral cooperation of the Baltic States in military affairs. Implementation of PFP tasks necessitated common Baltic military activities such as joint air surveillance and monitoring system (Baltnet), a common mine-sweeper squadron and naval cooperation program (Baltron) and the Baltic peacekeeping Battalion (Baltbat). In 1999, Baltic defense college (Baltdefcol) was established in Estonia where among other subject NATO rules and principles are taught by Western lectures. These policies were particularly strongly supported by Great Britain and Scandinavian countries. In 1999, trilateral consultations between the Baltic states on the Membership Action Plans were held. The prospect of NATO membership has played a similar role in encouraging the trilateral Baltic cooperation in the military field as the prospect of EU membership and its support played for economic cooperation and liberalization of trade among the three³³.

Baltic states’ motivations for joining the EU represent a mixture of ideological, historical, security and economic reasons. The officials of the three countries have repeatedly declared the importance of the “security aspects”, “promotion of economy, growth and development”, “social welfare” and “participation in common European matters”³⁴. It was mentioned before that security and stability aspects of EU accession have been among the main reasons for joining the EU. As some officials of the EU members states have acknowledged, “closer cooperation [through the enlargement of the EU] will contribute to ensuring stability and security of Europe” and “the enlargement of the EU is extremely important for the security of the Baltic states”³⁵. This analysis focuses on the perceptions of security aspects of EU/WEU membership of the Baltic states. Economic integration by way of removing the barriers to trade and adoption of internal market regulations, however, has so far been the main method of linking together the Baltic states and the EU and providing the basis for spill-over into the political and security fields.

³² Information provided by the Lithuanian Ministry of Foreign Affairs, June 23, 2000.

³³ On the analysis of EU impact on intra-Baltic economic cooperation see Vilpisauskas, R. Regional integration in Europe: analyzing intra-Baltic economic cooperation in the context of European integration, Florence: EUI, RSC Working paper, 1999, draft.

³⁴ From the presentations of officials from the respective Ministries of Foreign Affairs in the conference “The Baltic Dimension of European Integration” in Riga, August 24-25, 1996.

³⁵ From the presentation of Danish Minister of Foreign Affairs Mr. Niels Helveg Petersen in the conference “The Baltic Dimension of European Integration” in Riga, August 24-25, 1996, p. 93, 95.

The EU recognized the independence of the three Baltic States in August 27, 1991, and in April 1992 the ambassador of the EU to the Baltic States started his activities. In the meeting with the foreign ministers of the Baltic States at the beginning of September, EC representatives suggested including the three states into the Phare program, thereby differentiating them from the other former Soviet Union republics, as well as starting to prepare trade and cooperation agreements similar to those concluded with other Central and Eastern European countries (CEECs). The “first generation” trade and cooperation agreements were signed in May 1992 and came into force in the first months of 1993. They upgraded the trading status of the Baltic States in the general “pyramid of preferences” of the EU by extending Most Favorite Nation status and Generalized System of Preferences as well as abolishing specific import restrictions previously applied to the state-trading economies.

Already during the negotiations of the trade and cooperation agreements the representatives of the Baltic States raised the issue of association with the EU. Their aim was to conclude association agreements similar to the ones signed by the EU with the Visegrad countries, and thereby to be included in the group that, after a period of hesitation among the EU leaders, was recognized as a group of prospective EU members. This hope was expressed by the foreign ministers of the Baltic countries when the trade and cooperation agreements were signed in May 1992. The Estonian foreign minister, J. Manitski, called the accords “our first step back to Europe”, which he hoped would lead to full EU membership within a few years³⁶. The recognition that these agreements could lead to association was also included in the preambles of the agreements. The negotiations of the Europe agreements and eventual EU membership have soon moved to the top of the agendas of the Baltic governments. However, the attitude of EU policy makers was rather reserved. For some time various proposals about possible forms of economic and political links with the Baltic States were debated, illustrating uncertainty about whether they can be included into the category of potential members³⁷.

The first indication of changing EU policy towards the Baltic States - not without the major efforts of the Danish government - was an invitation to participate in the conference organized in Copenhagen in April 13-14, 1993. The conference gathered representatives from the EU, EFTA and CEECs to discuss matters of European integration, and the final declaration acknowledged the aim of several participating countries (meaning the Baltic States) to become the members of the EU.

³⁶ The Baltic Independent, May 15-21, 1992, “Baltics sign trade deals with EC”, p. 4.

³⁷ As it was observed about the EC/EU’s response to the developments in the CEECs, the resulting policy constituted “a curious mix of tradition and innovation” (Wallace, H., Wallace, W. (eds.) *Policy-Making in the European Union*, Oxford: Oxford University Press, 1996, p. 355), and “more a conglomeration of discrete activities than the result of a well-developed coherent strategy” (Kramer, H. *The EC’s Response to the ‘New Eastern Europe’*, *Journal of Common Market Studies*, Vol. 31, No. 2, 1993, p. 221).

Several days after the conference, the EU troika and Commissioner Van den Broek had a meeting with the Foreign ministers of the Baltic States during which issues of EU relations with the three and economic liberalization and cooperation within the Baltic region were discussed³⁸. The Baltic States leaders have met at the beginning of June, before the EU summit in Copenhagen, and issued a joint document urging the EU to begin talks on association with the Baltic States³⁹. Although the EU Summit in June 21-22 did not recommend starting association negotiations, the decision to ask the Commission to develop proposals on free trade agreements with the Baltic States marked a step towards integration of the three into the EU.

The preparation for talks on the Baltic States' free trade agreements with the EU took place in the second half of 1993. At the beginning of December, the Commission presented the Council its recommendations to negotiate free trade agreements with the three "taking into account specific features" of the Baltic countries. The latter qualification probably referred to the still unclear policy concerning the possible accession of these countries. The Commission also noted that the conclusion of the free trade agreements would ensure that existing agreements between the Baltic States and Nordic countries will be compatible with EU's *acquis* after the accession of the latter.

On February 7, 1994, the EU Council confirmed the Commission's mandate to negotiate free trade agreements with the Baltic countries. The Council and the Commission issued a declaration, which acknowledged the importance of further strengthening integration between the Baltic States and the EU and declared that the free trade agreements would constitute an important step to this end. The declaration also stated that "the Council will take all necessary steps with the aim of negotiating and concluding Europe agreements as soon as possible in recognition of the fact that Estonia, Latvia and Lithuania are to become members of the EU through the Europe Agreements"⁴⁰. Thus, the EU explicitly acknowledged the aim of the Baltic States to become EU members.

The implications of these EU decisions soon became apparent in the security field. In June 1994, Baltic states have become WEU Associate partners, with the right to participate in the meetings of the WEU Permanent Council and other WEU working groups, although without providing any security guarantees. The prospect of concluding the Association (Europe) Agreements with the EU was the main criteria for selecting the candidates for Associate Partner status. This criteria for selection introducing differentiation among the prospective EU (and WEU)

³⁸ Bulletin of the EC, no. 4, 1993, p. 54.

³⁹ Prikulis, J. The European Policies of the Baltic Countries, in Joenniemi, P., Prikulis, J. (eds.) The Foreign Policies of the Baltic countries: Basic Issues, Riga: Center of Baltic-Nordic History and Political Studies, 1994, p. 106.

⁴⁰ Bulletin of the EU, no. 1/2, 1994, p. 73.

members, including the Baltic states, and the other transition countries, has been welcomed by the officials of the three countries.

In parallel, the bilateral negotiations of the free trade agreements between the EU and the Baltic States took place. The three agreements were signed in July 18, 1994, and came into force in January 1995. The agreements supplied by the EU and modeled on interim agreements concluded before with other CEECs have resulted in different provisions concerning the speed and scope of liberalization. For some time, the Baltic States have been actively involved in relations with the EU, which has declared the Baltic region a “major focus” of its external policy⁴¹. The EU decided to start negotiating the Europe Agreements with the three even before the free trade agreements came into force. In August 1994, negotiations were opened simultaneously with the three countries. Although they were conducted bilaterally, the agreements were all signed on June 12, 1995. They have incorporated the free trade agreements, and added new dimensions to the Baltic States’ relations with the EU including political dialogue and economic cooperation in a number of areas, and approximation of laws to the EU’s *acquis*.

The Europe Agreements have marked a new stage of Baltic States’ integration into the EU and upgraded their status to that of other associated countries⁴². The agreements came into force only in February 1998, after the Baltic States’ parliaments, EU member states’ parliaments, and the European Parliament ratified them. However, already before their conclusion, the EU has decided that after the Europe agreements are signed, these countries could be included in the pre-accession strategy⁴³. The Baltic States were invited to the Cannes summit in June 1995, where the EU confirmed that the Baltic States can be included into the strategy to prepare for accession defined in Essen⁴⁴. The pre-accession strategy included such instruments of integration as Europe Agreements, Phare, the structured relationship between the CEECs and the EU, and the White paper on integration into the internal market (see Table 1). In other words, the Baltic States were provided with the opportunity to further integrate their markets into the EU, participate in the Council meetings together with other CEECs and coordinate their foreign policy with the foreign policy of the EU, and to focus on adopting EU’s legal rules governing the internal market. During the months of October-December of 1995, the Baltic states have presented their applications to become EU members.

⁴¹ EU Commissioner Brittan quoted in *The Baltic Independent*, May 27 – June 2, 1994, “Summit pledges European ties”, p. 2.

⁴² Lithuania’s Prime minister Slezevicius has been quoted as saying that “Europe agreement, no doubt, is the most significant Lithuanian international agreement this century” (*The Baltic Independent*, June 16-22, 1995, “Baltic states re-enter Europe”, p. 1).

⁴³ See the Conclusions of the Essen summit (Bulletin of the EU, no. 12, 1994).

⁴⁴ See the Conclusions of the Cannes summit (Bulletin of the EU, no. 6, 1995).

Table 1. Instruments of Baltic States’ integration into the European Union

Instrument	Main features
Pre-accession strategy	Recommendations provided by the EU to the candidate countries focusing on adoption and implementation of EU internal market acquis, supplemented with EU technical and financial assistance. It consists of the following three elements.
(1) Europe agreements	Integration in the field of trade in industrial goods, “shallow integration” in the other areas of internal market; political dialogue; adoption of some EU rules (competition policy, etc.)
(2) Phare program	EU technical and financial assistance for transition and pre-accession measures in the applicant countries
(3) White paper on preparation of the associated CEECs for integration into the Internal Market of the Union	Prepared by the European Commission, it identifies the key measures in each sector of the Internal Market and suggests a sequence in which the approximation of legislation with EU acquis should be undertaken; approximation measures are identified in 23 areas of internal market; the prioritisation of legal approximation and implementation is left to the applicant countries
Accession partnerships	Provided by the EU, they define country specific accession needs in order to support the applicant country in its preparation for the membership; measures are based on the needs identified in the Opinions and aim to meet accession (Copenhagen) criteria; they also provide financial assistance needed for further implementation of priority measures
National Programs for the Adoption of the Acquis	Prepared by the applicant countries, they define actions needed to reach objectives set out in the Accession partnerships; structurally they are based on the Opinions and Progress Reports
Screening	Analytical examination of the acquis in order to evaluate the perspectives of transposing it in the applicants countries and to determine the main issues for membership negotiations; during these meetings EU experts present relevant EU acquis, while the representatives of the applicant country present the information of the state of acquis adoption and its plans
Twinning	Aims at reinforcing institutional and administrative capacity. Consists of technical assistance, training programs, exchange of experts, participation of applicant countries’ officials in the EU programs
Accession negotiations	Aim at agreement between the EU and a candidate country on terms of accession; accession negotiations are limited to the agreement on transition periods for the implementation of selected EU legal acts; accession negotiations are conducted on chapter basis; the chapters (there are 31 of them) are “opened” by the European Commission; when the agreement on all chapters is reached, the Accession Treaty is signed which has to be ratified by the parliaments of the members states and a candidate country as well as the European Parliament

Source: compiled by author

Another important change in relations between the Baltic states and the EU appeared with the announcement of the Commission’s Opinions on the applicant countries in July 1997. The proposal to start accession negotiations with some countries, and not the others has created new groups of “ins” and “pre-ins”, to use the terminology of the Commission, and resulted in the

differentiation of the Baltic States. This change of EU policy has caused a change in intra-Baltic relations, although the EU continued emphasizing the importance of sub-regional cooperation.

In December 1997, the Luxembourg Council confirmed the proposals of the European Commission to invite five CEECs with Estonia among them to start EU membership negotiations. At the same time, it decided to reinforce the preparation of other applicant countries for EU accession by introducing new instruments of cooperation such as screening and accession partnerships. Therefore, even before the start of negotiations with Latvia and Lithuania, relations and exchange of information between them and the EU were becoming more frequent. Membership negotiations with the “first group” of CEECs were started in Spring 1998

In October 1999, the European Commission recommended to start membership negotiations with the “second group” CEECs, including Latvia and Lithuania. The proposal was confirmed by the Helsinki Summit in December 1999, and in February 2000 membership negotiations were started. Currently all three Baltic states are negotiating accession terms with the EU and continue to be involved in a number of cooperation mechanisms (Table 1). Implementation of numerous cooperative instruments on the political and administrative level has been taking place in parallel with economic integration. The EU has become the main trading partner of the Baltic states and the main source of the foreign direct investment in these countries. Informal integration taking place in parallel with policy coordination between the EU and each of the Baltic states has contributed to adjustment of expectations, increasing awareness of mutual interests and fostering habits of cooperation.

As the review of the official relations between the Baltic states and NATO and the EU/WEU illustrates, the status of the Baltic countries has radically changed during the last decade. From being completely isolated from the Euro-Atlantic institutions, constituting the basis for cooperation between their member states, the Baltic countries have gradually become part to the increasingly deeper forms of institutional arrangements. The Baltic states now figure in the list of the potential NATO member states and are well advanced in the EU accession negotiations. The prospect of NATO membership accompanied with regular contacts between NATO and the Baltic states as well as EU membership negotiations themselves create conditions for the Baltic countries becoming part of the Euro-Atlantic “security community”. Linkages between these parallel processes and “security goods” to be provided by membership in NATO and the EU/WEU are the subject of the next section.

5. Linkages between Baltic states' accession into NATO and the EU/WEU

It has been noted by some analysts that “an initial and cursory examination of the course of the two [NATO and EU] enlargement processes to date suggests that each has proceeded entirely according to its own dynamics and has had no concrete impact on the other”⁴⁵. The absence of linkages in enlarging seemed to be a declared policy of both NATO and the EU. As the “Study on NATO enlargement” has stated “the enlargement of the two organizations will proceed autonomously according to their respective dynamics and processes”⁴⁶. The main document of European Commission defining the strategic developments and implications of the coming enlargement “Agenda 2000” has briefly addressed this issue. It stated that “the enlargement of the European Union must therefore aim to make an additional stabilizing impact complementary to that made by the enlargement of NATO”⁴⁷.

The lack of coordination among NATO and EU/WEU enlargement processes has drawn increasingly more attention and critique from the external observers. As some maintained, “there may be a meta-value of enlargement in Europe, but it has not been pursued in a coordinated fashion”⁴⁸. However, with NATO enlargement in 1999 and potential future accession of other candidate countries, with EU membership negotiations taking place and with the development of Common European Security and Defense Policy and merger of the WEU with the EU taking place the linkages between these processes are becoming more obvious. Even in the middle of 1990s implicit connections in terms of participating actors and interests could have been distinguished. Currently, with Euro-Atlantic institutions adjusting to changes in international system and in particular to accession(s) of new members, the inter-linkages are explicit and call for more analysis⁴⁹.

In the context of this paper, it is not the linkages between NATO and the EU/WEU enlargements themselves that are focus of analysis. The issue is limited to the accession of the Baltic states into these Euro-Atlantic institutions, and the functional and strategic aspects linking these parallel processes. The question of linkages can be formulated as follows: (1) the issue of

⁴⁵ Smith, M. A. (ed.) *The NATO factor: a spanner in the works of EU and WEU enlargement?*, in Henderson, K. *Back to Europe: Central and Eastern Europe and the European Union*, London: UCL Press, 1999, p. 53.

⁴⁶ NATO, *The Study on NATO Enlargement*, 1995, <http://www.nato.int>.

⁴⁷ The European Commission, *Agenda 2000 for a stronger and wider Union*, Brussels, Bulletin of the EU, Supplement 5/97, 1997, p. 34.

⁴⁸ Croft, S., Redmond, J., Wyn Rees, G., Webber, M. *The enlargement of Europe*, Manchester; Manchester University Press, 1999, p. 2.

⁴⁹ For example, elaborating the theme started by several previous European Summits, the Presidency Conclusions of Santa Maria da Feira European Council in 19-20 June, 2000, devote considerable attention to the subject of “military issues and modalities for developing EU-NATO relations” and contributions “from partner third states”. See the home page of the EU – <http://europa.eu.int>.

functions of these institutions or motivations for joining them (membership rights and benefits), (2) the issue of membership criteria (membership obligations) and (3) the issue of accession processes (strategic interaction of the main actors). These issues are discussed below.

Membership benefits

Motivations for joining NATO and the EU/WEU expressed by the officials of the Baltic states have been discussed above. They are elaborated here in a more systematic and comparative manner.

Since it was created in 1949, the main aim of NATO has been to provide stability and security for its member states in the Euro-Atlantic area, to contribute to the development of peaceful international relations and eliminate potential conflicts by way of policy coordination. The main functional principle of NATO, particularly attracting to the candidate countries, including the Baltic states, is the provision on “collective defense” enshrined in the Article 5 of The North Atlantic Treaty. It states that: “The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area”⁵⁰.

The provision on “collective security” is an expression of the principle of multilateralism or “diffuse reciprocity” which specifies “appropriate conduct for a class of actions, without regard to the particularistic interests of the parties or the strategic exigencies that may exist in any specific occurrence”⁵¹. This means that the benefits of collective defense for NATO members are to be provided irregardless of specific threat and context, which is both a very demanding and very assuring form of cooperation. In other words security is a nonexcludable good. Paradoxically, during the Cold War two factors indicated that NATO adhered to the opposite norms: obvious dominance of the US inside NATO in terms of decision making power and responsibility as well as direct connection of the main aim of NATO with preventing Soviet aggression implied that its functioning was not based on principles of multilateralism. The situation has been changing,

⁵⁰ The North Atlantic Treaty, the home page of NATO, <http://www.nato.int>.

⁵¹ Ruggie, J. G. (ed.) *Multilateralism Matters. The Theory and Praxis of an Institutional Form*, New York: Columbia University Press, 1993, p. 11. The parallel in the field of economic relations could be found in the principle of the Most Favorite Nation treatment applied by the World Trade Organization members.

however, with strengthening of the role of the European NATO member states and dissolution of the bilateral world system and multiplication of potential threats.

The Article 5 provision also makes NATO an attractive institution providing its members with “hard security” benefits. The explicit reference to “an armed attack” and principle of collective defense is often cited as a feature distinguishing “security good” provided by NATO membership from security provided by the EU membership. The other important distinguishing feature is practical or the issue of capabilities. The military capabilities and operability of NATO, especially the US, forces distinguish it not only from the EU but also from “the paper tiger” - WEU which formally provides equal formal security guarantees to its members. This situation, however, is gradually changing. NATO leaders are acknowledging that security is “a broad concept embracing political and economic, as well as defense, components”⁵². The EU is gradually moving towards more active role in defense matters, conflict prevention and crisis management responsibilities. These tendencies indicate a possible overlap of functions of the two institutions or at least a more dense web of institutionalized cooperation patterns.

As it was mentioned, the WEU created in 1948 provided similar collective security guarantees. The article V of the Modified Brussels Treaty states that “if any of the High Contracting Parties should be the object of an armed attack in Europe, the other High Contracting Parties will, in accordance with the provisions of Article 51 of the Charter of the United Nations, afford the Party so attacked all the military and other aid and assistance in their power”⁵³. Importantly, one of the modifications of the original WEU Treaty included the Article IV on its relations with NATO which was absent when the Brussels Treaty was signed. The Article IV states that “in the execution of the Treaty, the High Contracting Parties and any Organs established by Them under the Treaty shall work in close cooperation with the North Atlantic Treaty Organization. Recognizing the undesirability of duplicating the military staffs of NATO, the Council and its Agency will rely on the appropriate military authorities of NATO for information and advice on military matters”⁵⁴.

Despite these security guarantees the WEU have been notably less important for managing the European security than NATO and accession into the latter is perceived to be significantly more important by the Baltic states’ leaders for the reasons indicated above. The WEU has been transforming since the end of the Cold War. The Maastricht Treaty signed in 1991 marked an important step in reforming the WEU and linking it closer with the EU by inviting EU member states to join the WEU. At the same, other European members of NATO were invited to become

⁵² NATO, The Study on NATO Enlargement, 1995, <http://www.nato.int>.

⁵³ Modified Brussels Treaty, 23 October 1954, the home page of the WEU – <http://www.weu.int>.

Associate Members of the WEU – the category which was extended to Czech Republic, Hungary and Poland after their accession into NATO.

It was decided at Maastricht that WEU should be built up in stages “as the defense component of the European Union”, with “military units answerable to WEU”, and strengthen the European pillar of the Atlantic Alliance. Moreover, the Maastricht Treaty established a Common foreign and security policy which was to “include all questions related to the security of the European Union, including the eventual framing of a common defense policy, which might in time lead to a common defense”⁵⁵. The WEU was drawn closer to the EU by the Treaty of Amsterdam which stated that “the Western European Union is an integral part of the development of the Union providing the Union with access to an operational capability [notably in fulfilling the Petersberg tasks such as conflict prevention and crisis management]... It supports the Union in framing the defense aspects of the common foreign and security policy... The Union shall accordingly foster closer institutional relations with a view to the possibility of the integration of the WEU into the Union...”⁵⁶. Following the entry of the Treaty into force, the WEU and the EU strengthened cooperation in the fields of decision making during a crisis situation, joint meetings, harmonization of institutional arrangements, sharing of information and other resources.

The process of merging the WEU with the EU to use formers capabilities for implementing the latter’s objectives has been further developed, with the support of NATO expressed in the Washington summit in 1999, during the European Council meetings in Cologne and Helsinki in 1999, and Feira in 2000. The plan is for the EU by 2003 to be able to deploy within 60 days and sustain for at least a year forces capable of dealing with conflict prevention and crisis management in operation up to corps level (50000-60000 persons). Plans for institutional reforms are also foreseen, for example, to bring together in several working groups EU and NATO officials as well as groups for officials from the EU, NATO and negotiating applicant countries to these institutions. Importantly, the relationship between the WEU and NATO have been evolving by increasing the joint sessions of their respective decision making bodies, sharing of information and use of NATO assets and capabilities by the WEU. At the Washington summit in 1999, in parallel to the strategic decisions on enlargement NATO indicated its willingness to build on existing WEU-NATO mechanisms in the creation of a direct NATO-EU relationship. It stated that its readiness to “define and adopt the necessary arrangements for ready access by the European Union to the collective

⁵⁴ Ibid.

⁵⁵ See the Treaty on the European Union.

⁵⁶ See the home page of the WEU – <http://www.weu.int>.

assets and capabilities of the Alliance, for operations in which the Alliance as a whole is not engaged militarily as an alliance”⁵⁷.

The security dimension of the EU, aside from its emerging Common security and defense policy directed mainly at crisis management and conflict prevention, is linked with several aspects of “soft security”. First originates from the concept of the founding of the EC and links the economic interdependence with reduction of possibilities for conflicts among trading partners. As one of the EC founder J. Monnet wrote, “We thought that both these objectives [of creating the basis for peace and eliminating the notions of nation and national interest] could in time be reached if conditions were created enabling these countries to increase their resources by merging them in a large and dynamic common market; and if these same countries could be made to consider that their problems were no longer solely of national concern, but were mutual European responsibilities”⁵⁸. The EU officials see the extension of this habit of peaceful settlement of disagreements to the new members states as one of the main challenges of coming enlargement. As the “Agenda 2000” stated, “...the Member States have developed between them a real Community of security within which it is inconceivable that there would be the slightest threat of recourse to force as a means of settling disputes. The challenge is now to extend that basic achievement of the European project to new Member States”⁵⁹. Therefore, participation of the Baltic states in the European security community would create conditions for cooperation and peaceful settlement of disagreements with other EU member states including ones which presented an external threat to these countries for centuries. It should be noted, however, that the possibility of conflicts that could not be resolved by cooperative measures between the Baltic states and the EU member states or other candidate countries is perceived as very low. Therefore this aspect of security at least currently seems to be relatively insignificant to officials of these countries in relation to other potential threats and sources of instability.

The other related aspect of soft security relates to preventing threats other than military aggression or reducing potential negative impact on stability of the member states. Examples of such threats vary from terrorism and crime to environmental disasters. Coordination of policies in these fields on the level of the EU is believed to provide better conditions for counteracting these threats by exchange of information, pooling of resources, etc. This aspect of soft security seems to be particularly important for the Baltic states because of the relative (though not so much perceived) importance of non-military threats to their security and stability such as outdated nuclear power

⁵⁷ Ibid.

⁵⁸ Monnet, J. cited in O’Neill, M. *The Politics of European Integration. A reader*, London: Routledge, 1996, p. 168.

⁵⁹ The European Commission, *Agenda 2000 for a stronger and wider Union*, Brussels, Bulletin of the EU, Supplement 5/97, 1997, p. 34.

plant reactors as well as inadequately small capabilities and resources to deal with such threats unilaterally.

The third aspect of the soft security is related with dealing with an external aggression from a third country and its prevention. As Finish President M. Ahtisaari stated in December 1996 in his often quoted speech, “as a member of the European Union, Finland is part of a community of political solidarity. A threat to one member state is directed against the whole community”⁶⁰. Austria’s former Minister of Foreign affairs has argued even stronger, i.e. that EU membership in itself would guarantee security of Austria. He maintained that “the Union’s cohesion and solidarity derives from the interdependence and partial fusion of the economies of member states and thus offers to each partner a security guarantee which might well be more reliable than formal treaty commitments”⁶¹. This principle is based on the same argument of interdependence and gradual convergence of interests as the first one used by the founders of the EC, although here it illustrates provision of security against potential threat from third countries and seems to be more important for the Baltic states.

Thus, NATO membership is seen to provide several benefits for the Baltic states. First, it provides “hard security” and the benefits of common defense, which are highly valued in these countries situated near what is perceived as unstable and uncertain neighboring countries. Second, the principle of multilateralism, or collective defense, provides even stronger guarantee against perceived external threats at the same time reducing the potential for such threats. Finally, indirect economic effects of NATO membership by providing security and stability to investors and thereby facilitating economic activities are increasingly referred to in the domestic discussion in the Baltic states, often with reference to newly accepted NATO members from Central Europe⁶². The latter argument deserves caution as it is very difficult to establish a causal relation between “NATO effect” and increase in investments, especially in transition countries where a number variables such as privatization are likely to be much more significant.

The EU membership for the Baltic states implies reducing the potential for military conflict among its member states to minimum and providing collective resources for dealing with potential non-military threats and disasters. Becoming part of the European security community also reduces potential for external military threats or instabilities having their source in third countries and increases the bargaining power of the Baltic states versus third countries. Participation in the

⁶⁰ Cited in Van Ham, P. *The Baltic States and Europe*, in Hansen, B., Heurlin, B. (eds.) *The Baltic States in World Politics*, Richmond Surrey: Curzon Press, 1998, p. 25.

⁶¹ *Ibid.*

emerging EU Common security and defense policy would also strengthen the ability to deal with crisis management and prevent potential conflicts. In terms of providing “security good” membership in NATO and the EU are seen as complementary although there is potential functional overlap in the future and there has been some geographic overlap. The synergy effect might be the strongest if the interoperability of the facilities and forces of NATO, the EU and the Baltic states is achieved. At the same time, as the number of NATO and EU members increase, the diversity of interests is also likely to increase. The efficiency of the security and defense policies of enlarged institutions will depend not only on technical capabilities and collective resources, but also on gradual convergence of preferences through policy coordination and habits of consensus building. The issue of flexibility discussed in the EU for some time and recently raised again by the French President J. Chirac on the occasion of upcoming French Presidency of the EU, if implemented could be also used as an instrument to counter the potential complications arising from a too numerous and complex interests of EU member states⁶³. It depends on a concrete institutional setup of flexibility arrangements whether it is likely to affect positively the interests of the small member states, including the Baltics.

Membership obligations

The analysis of linkages between membership obligations or criteria for accession into NATO and the EU provides an illustration of possible synergies and potential problems for the Baltic states’ accession into these institutions. The accession into each of these institutions requires that NATO and the EU are ready to accept new members (the Baltic states), and that the Baltic states are ready for membership, i.e. they meet the requirements set by NATO and the EU. In terms of NATO enlargement, the strategic environment or security situation in the region is also a factor the importance of which is explicitly addressed by NATO documents setting the principles and criteria for accession. The enlargement of the EU, however, also has clear strategic consequences and as some observers noted, “the implications of [EU] enlargement for European security are bound up in a wider framework of institutional change and security considerations”⁶⁴.

Keeping to these general principles is supposed to ensure that the enlargements are beneficial to all parties involved and that resulting adjustments of these institutions allow them to meet the objectives set by their member states. The readiness of NATO and the EU to enlarge and the reforms that are required for enlargement to meet the expectations of their member states could

⁶² For an example of such a study see GKI Economic Research Co. the Economic Effects of Hungary’s accession to NATO, Budapest: GKI Economic Research Co., March 1998.

⁶³ See The Financial Times, Chirac calls for two-tier Europe, June 27, 2000, <http://www.ft.com>.

be an issue for a separate analysis⁶⁵. Here, the requirements that the Baltic states have to meet to be accepted into these institutions are discussed. In both cases membership requirements are quite broad, and, for example, it is emphasized in the “Study on NATO Enlargement” that there is “no fixed or rigid list of criteria for inviting new member states to join the Alliance”.

The principles of NATO enlargement and the obligations that the applicant country has to meet are defined in the North Atlantic (Washington) Treaty and the “Study on NATO Enlargement”. The Article 10 of the Treaty states, that “the parties may, by unanimous agreement, invite any other European State in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty”⁶⁶. The preamble to the treaty refers to the principles of “democracy, individual liberty and the rule of law”.

At the time of accession, as the “Study on NATO Enlargement” maintains, new members must commit themselves to “unite their efforts for collective defense and for preservation of peace and security; settle any international disputes in which they may be involved by peaceful means...; contribute to the development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded. And by promoting conditions of stability and well-being; maintain the effectiveness of the Alliance by sharing roles, risks, responsibilities, costs and benefits of assuring common security goals and objectives”. It is also added that resolution of ethnic disputes, external territorial disputes or internal jurisdictional disputes by peaceful means would be a factor in determining whether to invite a state to join the Alliance.

These membership obligations require a candidate country to implement principles of democratic society, including civilian control of its defense force, with well functioning institutions, be part of peaceful interstate relations and develop a culture of cooperation as well as conduct a policy of good neighborly relations absent of disputes and unresolved issues, provide an input in terms of participation in the implementation of NATO objectives and missions and the process of decision making. The latter requires a new member contribute to NATO’s missions and programs in financial as well as technical and human resources, participate in the integrated command structure, NATO exercises and intelligence processes, accept the deployment of other Allies’ forces on its

⁶⁴ Grabbe, H., Hughes, K. *Eastward Enlargement of the European Union*, London: The Royal Institute of International Affairs, 1997, p. 51.

⁶⁵ The WEU membership criteria are not discussed here. They seem to imply membership in the EU, meeting necessary military requirements and taking into account strategic factors. However, the issue of preparing for the WEU membership seems to be unimportant in the Baltic states, probably reflecting the fact that by the time the Baltic states are accepted into the EU, the WEU might be completely merged with it.

⁶⁶ The North Atlantic Treaty, see the home page of NATO – <http://www.nato.int>.

territory, meet interoperability standards, in particular for command, control and communication equipment. There are about 1200 agreements and publications in this field that new members are expected to comply with. Finally, the Alliance expects new members not to “close the door” to the accession of later candidate countries.

The strategic environment is perceived to play an important role in NATO enlargement. It implies that besides both sides (NATO and the candidate country) being ready for enlargement, there is a need to take into account wider strategic implications of NATO enlargement. In the case of the Baltic states, it is first of all linked with possible impact on relations with neighboring countries, Russia in particular. It is stated in the “Study on NATO Enlargement” that no country outside the Alliance should be given a veto over the process and decisions. The same principle is reiterated in the Founding Act on Mutual Relations, Cooperation and Security between NATO and the Russian Federation, which maintains that its provisions do not provide NATO or Russia with a right of veto over the actions of the other. However, the “Study on NATO Enlargement” also notes the particular importance of Russia to the European stability and security. The issue of strategic environment is closely linked with the parallel processes of enlargement of NATO and the EU and the interests of key actors involved and will be elaborated below.

The Article O of the EU Treaty states, that “any European State may apply to become a member of the Union”. The main membership criteria for the CEECs wishing to join the EU have been defined at the Copenhagen Summit in July 1993. It was concluded that “membership requires that the candidate country: has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; and [has] the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union”⁶⁷.

These broad formulations were later elaborated in the “Agenda 2000” and the Opinions of the European Commission evaluating the progress of each applicant country in meeting conditions for membership. In particular, economic criteria have been specified by defining conditions that have to be created in order to have a functioning and competitive economy. It has been acknowledged that particular efforts are required to take on obligations of EU membership, i.e. to adopt and implement the extensive body of *acquis* upon accession into the EU. Currently, meeting

⁶⁷ The European Commission, Agenda 2000 for a stronger and wider Union, Brussels, Bulletin of the EU, Supplement 5/97, 1997, p. 39.

this criteria properly and effectively proves to be the most resource consuming exercise being undertaken in the Baltic states preparing for EU membership.

The overview of membership criteria to be met by the Baltic states in order to be ready for NATO and EU membership provides ground for several observations. First, there is a clear overlap in terms of political criteria (democratic governance) which implies in both cases adoption of the same principles, although with emphasis on civil control of military in one case and protection of minority rights in the other, common to Western democracies. These principles have been enshrined in the constitutions of the Baltic states and have been implemented during the first years of reforms with minor exceptions. The setting of the border issue with Russia remains among the unsettled questions, although officials of the Baltic states have been directing their efforts at involving international institutions into this process and using diplomatic efforts to show the process has been mismanaged by Russian part and therefore can not be viewed as an obstacle for their accession into the EU and NATO. The political criteria reflects the underlying basis of values common to the member states of Euro-Atlantic institutions as well as to the Baltic states.

Second, the divergent competencies and objectives of these institutions require different capabilities to be developed and different obligations to be assumed. In the case of NATO, these capabilities imply investments into upgrading and purchasing of military equipment, training of staff and other capabilities needed for effective participation in collective defense and NATO missions. In the case of the EU, it first implies creating condition for functioning markets and competitive economy (economic criteria). The principle of market economy based on private property and free competition is the objective of economic reforms undertaken in these countries and in time with conditions for market infrastructure created, technological development and growth of welfare taking place, it can contribute to internal stability and provide more resources for investing into meeting NATO membership requirements.

Assuming obligations of EU membership implies investment into institutional restructuring and upgrading of administrative capabilities as well as upgrading of product and process standards by business. Due to still significantly lower levels of economic development of the Baltic states in comparison to the EU member states, these investments might be particularly significant in such areas as environment, product standards, transport or labor relations. Increasing pressure on the limited budgets as well as private enterprises facing adjustment costs and a fiscal discipline needed to qualify for EMU membership will exert a strong pressure on prioritizing competing spending priorities in the Baltic states. Therefore, meeting EU obligations in this respect would mean competing for scarce resources with other policy objectives, including implementation of NATO

requirements and contributing financially to NATO activities. The issue has been public addressed by officials of the Baltic states by using the recourse to alternative ways of “buying security” and arguing that joining NATO and the EU is the cheapest way of guaranteeing security for these countries⁶⁸. Although the issue of financial costs and benefits is not the main criteria in evaluating the accession into NATO and the EU, it has been increasingly playing a role in pre-election domestic political debates, as it was the case in Lithuania in Spring 2000. In this respect the issue of budgetary priorities can translate itself into a domestic constraining factor reflected by changes in popular support for accession into NATO and/or the EU.

To sum up, it is necessary to be a European country, functioning in line with principles of democratic governance, market economy and good neighborly relations, with obligations of membership implemented to be ready for membership in NATO and the EU. Meeting these requirements is a necessary but not a sufficient condition for enlargements to take place. The strategic interaction and interplay of interests will be a determining factor for accessions to proceed with enough political will behind them.

Strategic interaction

Identifying the preferences of actors involved into the process of Baltic states’ accession into NATO and the EU allows to identify possible linkages of these two processes by actors involved and to model better possible future developments. First, as it was illustrated before, the preferences of the Baltic states’ governments have remained stable and their first preferred option could be formulated as “joining both NATO and the EU as soon as possible”. However, Baltic states’ accession into NATO and the EU involves decisions to be taken by other actors inside these institutions taking into account the interests of third parties whose interests are likely to be affected.

The US is perceived to be the most important actor in NATO enlargement process whose interests are likely to be affected by the EU enlargement. The accession of the first three Central European countries into NATO has been described as an affair of President Clinton administration. This implies that the definition of preferences of the US in relation to Baltic states’ accession into NATO could be dependent upon the outcome of coming elections in the US. Aside from domestic factors, the US preferences will be developed in response to expected demands from the other actors of international security system.

⁶⁸ For example, recently Estonian Prime Minister M. Laar stated that “Integration with NATO is the most positive and surely also the cheapest option for ensuring our national security, which as a matter of fact will take the least funds from other spheres of life” (The Baltic Times, Laar: EU, NATO accession costs for Estonia’s own good, June 15-21, 2000, p. 4).

In their often quoted publication of two RAND Corporation officials, the linkage between the Baltic states accession into NATO and the EU have been made quite explicit. Departing from the assumption that the Baltic states would not be part of the first wave of NATO enlargement, they have suggested a strategy towards the Baltic countries based on several “building blocs” among which the EU enlargement to these countries has been defined as “a central, and perhaps *the* central building block of this strategy”⁶⁹. Inviting at least one Baltic state, namely Estonia, to start EU accession negotiations has been suggested as a “compensating factor” in the context of NATO enlargement. It has been argued (by employing the argument of European community of political solidarity discussed above) that “it would de facto extend an element of deterrence since any Russian intervention – or threat of intervention – in an EU member-state would have serious consequences for its relations with Europe as a whole”⁷⁰. The other building blocks of the strategy suggested included encouraging economic and political reforms in the Baltic countries, their trilateral cooperation in the field of defense, Nordic-Baltic cooperation, an “open door” policy on NATO membership and inclusive policy towards Russia.

It could be observed that several years after, the main elements of the strategy have been successfully followed by the US government. It has been noted that following the publication of the report, “in November 1996, Washington clearly made the case for early EU-entry of those countries that will not join NATO in the first instance”⁷¹. It has been also observed that EU member states and the European Commission reacted negatively to these attempts to view the EU membership as a consolation prize to be given as a compensation for countries not invited to join NATO. It is difficult to evaluate to what extent this concrete expression of US policy influenced the decision of the EU to invited Estonia to start membership negotiations with the other first wave applicant countries. However, it illustrates that among US policy makers the issue of two enlargements into the Baltic states is interconnected and could well remain in the future. It is likely that US policy in the future will depend on concrete expressions of its interests in Europe, and their implementation through the accession of the Baltic states in NATO *and* the EU as well as its strategic relationship with Russia.

The US officials have on a number of occasions including the recent June 2000 visit of State Defense Secretary W. Cohen into the Baltic states, have assured that Russia does not have a veto right on the issue of the Baltic states’ membership in NATO. However, the US has shown an

⁶⁹ Asmus, R. D., Nurick, R. C. NATO Enlargement and the Baltic States, *Survival*, vol. 38, no. 2, Summer 1996, p. 133.

⁷⁰ Asmus, R. D., Nurick, R. C. *Opt. cit.*, p. 134.

⁷¹ Van Ham, P. The Baltic States and Europe, in Hansen, B., Heurlin, B. (eds.) *The Baltic States in World Politics*, Richmond Surrey: Curzon Press, 1998, p. 36.

increasing interest in Russia's agreement to the issue of renegotiating the Anti-Ballistic Missile Treaty signed in 1972, which seems to be perceived with concern by the EU members states. In this context, there might be attempts on different sides to link this issue with the issue of Baltic states' accession into NATO. The principle "of strategic stability" might imply different outcomes for the Baltic states ranging from the US encouraging the EU enlargement before NATO's invitations to negotiate with the Baltic states to inviting the Baltic states in 2002 to negotiate NATO membership with parallel strengthening of relations with Russia, possibly with upgrading of NATO institutional links with Russia to prevent its isolation. The latter option in its extreme might imply inviting Russia to join NATO. Although in the Baltic states the perspective of Russia become NATO member is not seen as a possibility, at least in the near future, such an option have been suggested by some observers. For example, it has been maintained that "if NATO enlargement is to be a vehicle for uniting, rather than redividing Europe, the West has only one viable option: opening NATO to Russia itself"⁷². Even not accepting the strong phrasing, the possible (and likely) inclusion of Russia into more extensive web of institutionalized relations with NATO might require the policy makers in the Baltic states to rethink their policies.

The main actors in the EU have been so far rather ambivalent in relation to the Baltic states accession into NATO. It has been noted several years ago, that "what the Baltic states most lack is the active support of the strongest European powers in the Alliance – Germany, France and the United Kingdom"⁷³. The preferences of these countries seem to have remained unaltered until now. For example, Germany, "perhaps the country with the greatest stake in NATO enlargement", recently expressed reservations about the Baltic states membership in NATO. Germany's Chancellor G. Schroder has been quoted discouraging hopes that the Baltic states would be able to join NATO in the near future, and that "there are certain concerns which NATO must also take into account" meaning concerns expressed by Russia's new president V. Putin⁷⁴. Taking into account Chancellor's statement during his meeting with President V. Putin that "Europe can not develop peacefully over the long run if Russia is not involved" and a clear Germany's support for Baltic states accession into the EU, it seems that Germany's officials prefer the Baltic states membership in the EU over their accession into NATO. Britain has also remained ambivalent about the Baltic states accession into NATO and the EU, although unofficially acknowledging the link between the two and at one point raising the issue of accepting them as a WEU members but not NATO members⁷⁵. France's position might be somewhat different because of its interest in accepting

⁷² Kupchan, Ch.A. Turning Adversity into Advantage: Russia in NATO, in Jopp, M., Ojanen, H. (eds.) European Security Integration. Implications for Non-alignment and Alliances, Helsinki: The Finish Institute of International Affairs, 1999, p. 216.

⁷³ Asmus, R. D., Nurick, R. C. Opt. cit, p. 123.

⁷⁴ Frankfurter Allgemeine, Schroder Encourages Baltic bid to join EU, June 7, 2000, p. 1.

⁷⁵ Dodd, T. NATO Enlargement, London: House of Commons Library, Research Paper 97/51, 8 May 1997, p. 33.

Romania and possibly some other “Southern country” into NATO and therefore possibly linking the issue with acceptance of the Baltic states. However, with Common European Security and Defense policy taking shape and different constraints and opportunities emerging, the preferences of the main initiators of this policy can be changing. Tensions in the Baltic states might be created if ambivalent attitude of some EU members states together with development of the EU security and defense role in Europe result in their preferences that “EU and WEU enlargements in themselves were sufficient for the easterners” and ruled out further NATO enlargement in the near future⁷⁶.

The Nordic countries, on the other hand, have remained a strong advocates of the Baltic states’ accession into both NATO and the EU. With a strong interest in the stability of the Baltic sea region, by using different forums of cooperation they have been advocating the inclusion of the Baltic countries into these institutions⁷⁷. Also, by advancing the creation of dense network of cooperation and facilitating trade and economic interdependence, the Nordic countries have been contributing to increasing stability and security of the Baltic sea region. The support of the Nordic countries could prove to be important in dealing with such issues as Kaliningrad region and participation of the Baltic states in the EU foreign policy initiatives.

Finally, the discussion of strategic environment of Baltic states membership in NATO and the EU would be incomplete without addressing the interests of Russia. It has been noted that “the idea of Baltic membership in NATO has always drawn vehement protest from Moscow”⁷⁸. The arguments of Russia against NATO enlargement into the Baltic states ranged from insecurity resulting from staging NATO military forces in these “strategically important” countries to the status of Kaliningrad region inside NATO. Russia’s opposition remained stable and have not changed with V. Putin becoming a President, rather there have been some signs to the contrary. However, in terms of interconnections between the two enlargements, signs of changing Russia’s preferences towards Baltic states membership in the EU have been appearing since Summer of 1999.

Differently from their active opposition to the enlargement of NATO, for a long time Russia’s leaders remained relatively indifferent to the process of European integration. However, with the acceleration of integration and a clear perspective of membership negotiations with all

⁷⁶ Smith, M. A. (ed.) *The NATO factor: a spanner in the works of EU and WEU enlargement?*, in Henderson, K. *Back to Europe: Central and Eastern Europe and the European Union*, London: UCL Press, 1999, p. 61.

⁷⁷ For a discussion see Kundsén, O. F. *Cooperative security in the Baltic Sea region*, Paris: Institute for Security Studies, Chaillot Paper 33, November 1998.

⁷⁸ Kamp, K.- H. *NATO Entrapped: Debating the Next Enlargement Round*, *Survival*, vol. 40, no. 3, Autumn 1998, p. 173.

three Baltic states, Russian officials have raised concerns over possible negative economic implications of EU enlargement on Russian economy.

Russian officials have presented their concerns to the EU leaders in September 1999 during an EU Troika-Russia meeting and the tour of EU capitals⁷⁹. Most of their concerns have been related to trade matters. These include concerns over possible increase of restrictions to Russian imports to the Baltic states as a result of adopting the Common external tariff of the EU, possible trade diversion as a result of the Baltic states joining the Single market, negative effects of extending Common Agricultural policy to the Baltic states, extension of anti-dumping and competition rules, diversion of investment from Russia to the acceding states, negative impact of EU standards and certification procedures on trade with Russia. Concerns have also been raised over possible negative impact on movement of people, transit and trade between the main territory of Russia and Kaliningrad region. Finally, worries about respect for the rights of ethnic Russian population in the Baltic countries were expressed. The last two issues also figure in the discussions of Russia's attitude towards NATO enlargement.

While some of these concerns seem to have little basis, the main message is that Russia intended to make clear it was willing to be consulted along the process of enlargement and might require compensation in the areas where it could suffer economic losses. It should be noted, that there are WTO rules on possibility to demand compensation for losses resulting from a partner country joining the regional block and diversion of trade. Although it is still unclear whether Russia will join the WTO before the enlargement of the EU takes place, the concerns expressed by the Russian authorities have been receiving attention in the EU.

Similar message has been delivered by the Medium-term Strategy for Development of Relations between the Russian Federation and the EU. It was presented to the 4th EU-Russia Summit in Helsinki on October 22, 1999, by then Prime Minister of Russia V. Putin. The strategy determines the objectives of Russia's relations with the EU for the next decade and means of achieving these objectives⁸⁰. In general, it reiterates many of the points stated in the Common Strategy of the EU towards Russia, while stressing the financial assistance needs and selected areas of particular interest to Russia. Importantly, it maintains that efforts will continue to be made for "protection of Russia's legitimate interests while further expanding the European Union and introducing the single currency (euro)".

⁷⁹ See Euro-East, No. 80, September 1999, p. 15-16.

The new position of Russia in relations to Baltic states accession into the EU is a new strategic factor to be considered by the Baltic states in implementing their goals of NATO and EU membership. Evolving relationship between the EU and Russia clearly illustrate the need to address Russia's concerns. So far, this has been implemented through the cooperation instruments provided by the EU. For example, the issue of the Kaliningrad region status, surrounded by the enlarged EU, has been addressed in the framework of Northern dimension with strong incentive for advancing the settlement of the issue shown by Lithuanian diplomats. Use of forums bringing together EU and Russia's officials has been promising and provide an opportunity for exchange of information between the Baltic states and Russia and addressing existing uncertainties. It has been publicly accepted by the EU member states' officials that "Russia plays a crucial role for European security and stability" and that integration of Russia is an important challenge for the EU⁸¹. It is likely that Russia will demand upgrading of its relations with both EU and NATO when the decisions on Baltic states accession into these institutions have to be taken, and the NATO and the EU will most probably have to increase the degree of coordination of the two processes than have been the case until now. In turn, "a coordinated Western response ... requires a greater degree of clarity among NATO and EU governments about the complementary purposes of the two institutions"⁸².

6. Conclusions

The "return of the Baltic states" to the Euro-Atlantic international community and the implementation of their foreign policies have been primarily channeled through existing institutions. Membership in NATO and the EU/WEU has remained the main foreign policy goals of the three states and gradual deepening of cooperation with these institutions has already proved to exert a positive impact on security and stability of the Baltic countries. Besides providing with economic benefits of market integration and economic opening, strengthening of democratic institutions as well as reducing uncertainties and fostering the habits of cooperation, gradual integration of the Baltic states into the EU and to some extent into NATO has provided a new forum for dealing with Russia and thereby reducing bargaining power asymmetries.

Integration of the Baltic states in NATO and the EU/WEU has been linked in a number of ways both as overlapping and complementary processes, in some aspects creating synergy effects,

⁸⁰ Unofficial translation by the Russian MFA of the Medium-term Strategy for Development of Relations between the Russian Federation and the European Union (2000-2010), 26.10.1999, <http://presidency.finland.fi/frame.asp>

⁸¹ Speech by Foreign Minister of Sweden Anna Lindh, The Baltic and the European Union: influences on European stability, security and prosperity, Wilton park conference, Stockholm, May 25, 2000.

⁸² Wallace, W. From the Atlantic to the Bug, from the Arctic to the Tigris? The transformation of the EU and NATO, *International Affairs*, 76, 3, 2000, p. 589, draft.

in other cases – competing for scarce resources. Perspectives of accession of the Baltic states into NATO and the EU/WEU depend on their readiness, on preparedness of these institutions reforms of which have been taking place in parallel and in response to Eastern enlargement, and on strategic interaction of actors. It should be noted that preferences of the actors have been not only a function of domestic interests and external factors, but have also been shaped by international institutions themselves. While not attempting to present a detailed analysis of possible strategic developments related with membership of the Baltic states in NATO and the EU/WEU, this study has identified factors which are likely to have an impact on these processes as well as possible developments. The uncertainty of the outcomes is caused by the current reforms of institutions under analysis, with the most illustrative example being the merger of the WEU into the EU. However, the uncertainty could be reduced by further monitoring of these processes by the Baltic states' officials, modelling strategic situations and defining their interests in the face of changes.

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